GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

STARRED QUESTION NO:25
ANSWERED ON:26.04.2016
Pricing Norms of Drugs/Medicines
Gaikwad Dr. Sunil Baliram;Kirtikar Shri Gajanan Chandrakant

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the details of pricing norms fixed for sale of drugs and medicines along with mechanism in place to penalise those violating the pricing norms;

(b) whether a number of drug companies including MNCs, have reportedly been found to be overcharging the customers recently, if so, the details of such companies and action taken thereon;

(c) whether the National Pharmaceutical Pricing Authority (NPPA) has proposed some changes in the existing Drug Price Control Order, 2013 so as to arm itself with powers to impose fine on those violating pricing norms and if so, the details thereof;

(d) whether the Government has taken on board various stakeholders including industry representatives from the civil society and public health groups to deliberate on the proposal; and

(e) if so, the details thereof and the response of the different stakeholders in this regard?

Answer

(a) to (e): A statement is laid on the Table of the House

Statement referred to reply to LOK SABHA STARRED QUESTION No. 25 TO BE ANSWERED ON THE 26th April, 2016 regarding Pricing Norms of Drugs/Medicines (5th Position)

(a) The Department of Pharmaceuticals has notified the National Pharmaceutical Pricing Policy-2012 under which the prices of current National List of Essential Medicines (Presently NLEM, 2015) are to be controlled & regulated on the basis of Simple Average Price of all the brands having market share (on the basis of Moving Annual Turnover) more than and equal to 1% of the total market turnover of that medicine. The Drug Price Control Order, (DPCO) 2013, contains adequate provisions through which any manufacturer selling their products at a higher price shall be liable to deposit the overcharged amount along with interest thereon from the date of such overcharging.

(b) National Pharmaceutical Pricing Authority (NPPA) has informed that during 2015-2016 demand notices raised and receipt of overcharged amounts is as under:

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No. of Companies Demand Notice issued
(Rs. in crore) Recovery effected
(Rs. in crore)
DPCO, 1995 DPCO, 2013 Total DPCO, 1995 DPCO, 2013 Total DPCO, 1995 DPCO, 2013 Total
159 104 263 907.84 20.48 928.32 7.96 4.72 12.68
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c), (d) & (e) The Government receives various suggestions from the stakeholders including NPPA regarding various provisions of DPCO, 2013. The final view on the same is taken after consulting all the stakeholder and on the merits of the proposals which is an ongoing process.
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